

This Week in Congress

June 21, 2010

Dear Friend,

Welcome to "This Week in Congress." This week's headlines are:

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Hearing on Farm Safety Net

On Thursday, the House Agriculture Subcommittee on General Farm Commodities and Risk Management held a hearing to review U.S. farm safety net programs in advance of the 2012 Farm Bill. I serve as the Ranking Republican Member on this subcommittee and one of the many topics we discussed was the Risk Management Agency's (RMA) latest draft of the Standard Reinsurance Agreement (SRA). The SRA specifies how the federal government will reimburse crop insurance companies for insurance delivery costs and how the companies will share risk of profit and loss with the federal government. The SRA is a key component to allow the delivery of crop insurance policies to agricultural producers. The latest SRA draft released by RMA is proposed as the final draft before crop insurance companies must sign the agreement. Because the latest SRA draft contains many new concepts compared to previous drafts, I asked RMA to proceed slowly and remain open to removing or modifying certain sections before finalization. I have heard from many crop insurance agents in Kansas concerned with a number of provisions and raised their issues at the hearing.

I also had the opportunity to once again discuss the status of a Conservation Reserve Program (CRP) general signup with the Farm Service Agency (FSA) Administrator. FSA said it would publish its environmental analysis on June 18, 2010, and would have to observe a 30-day "no action period" before a general signup rule could be written. Based on this, FSA did not believe it could announce a CRP general signup until mid-August at the earliest. This is concerning because Kansas farmers are allowed to begin destroying grass cover on expiring acres starting July 1st and the delay provides no certainty for landowners trying to make land management decisions.

One additional issue that was raised at the hearing was the weakening basis in the wheat markets. Basis is the difference between the local cash wheat price and the relevant wheat futures contract price. Witnesses discussed numerous factors including large global wheat supplies, large carryover of low protein wheat from last year's harvest, incoming low protein wheat from this year's harvest, and increased freight rates that are all contributing to a weak basis. One thing Congress could do to help alleviate this problem is approve three pending trade agreements that would free up additional markets where U.S. farmers could sell additional

wheat. I will continue to advocate for approval of new markets for Kansas wheat producers and continue to pursue this issue.

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President Addresses Nation

This week, President Obama delivered his first Oval Office address to update the American people on the Gulf oil spill. During his remarks, the President renewed his call for Congress to pass cap and trade legislation. This is the wrong step at the wrong time. Passage of cap and trade would have a devastating impact on our recovering economy. This legislation would hurt Kansas families and businesses by driving up the cost of energy. Higher energy prices increase operating costs for businesses and will force many business owners to close their doors or move outside the United States. At a time when one in ten Americans are looking for work, Congress needs to be focused on job creation, not killing more jobs.

I want those responsible for the damaging effects of the Gulf oil spill to be held accountable. What I do not want, is for this crisis to be used to score political points or to advance a political agenda. We should remain focused on stopping the leak, cleaning up the spill and finding out what went wrong to prevent future disasters, instead of pushing cap and trade legislation.

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Tax Relief Still Needed

The ability to pass a business or family farm from one generation to the next is critical to the strength of the Kansas economy. Unfortunately, the federal government has made passing on a family business more difficult through the enactment of the estate tax. When one passes away, the federal government taxes the value of their estate as it is transferred from the deceased to spouses, children, grandchildren and other heirs. In some cases, the government will take more than half of an estate. Recognizing this impediment to economic growth, Congress passed a set of tax relief measures in 2001 that lowered the estate tax rate and increased the exemption so fewer people were affected by the tax. Last year the estate tax expired completely and will come back next year unless Congress acts. Last December, the House approved H.R. 4154, the Permanent Estate Tax Relief for Families, Farmers, and Small Businesses Act, which would continue estate tax relief at 2009 levels. The Senate has yet to act on any legislation, although reports are that a super majority of senators say they support permanent relief.

I have long sought a permanent repeal of the estate tax. While I will continue to look for ways to achieve a full repeal, I believe the next best alternative given today's political and economic climate is H.R. 3905, the Estate Tax Relief Act. H.R. 3905 will exempt from the estate tax estates worth up to \$3.5 million and will increase the exemption to \$5 million by 2019, indexing the exemption to inflation to allow it to automatically increase in the years following 2019. Enacting exemptions at these levels should prevent a majority of Kansas' small businesses

from being affected by the tax, offering a new generation of Kansans an opportunity to continue small businesses and family farms. H.R. 3905 will also reduce the maximum tax rate for estates in excess of the exemption. Action is needed now to prevent the tax from being reinstated at a maximum rate of 55 percent. I will continue to advocate for more permanent solutions that benefit Kansas' small businesses and family farms.

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Big 12 Conference Announcement Good News for Kansas

Many of the Jayhawk and Wildcat fans reading this update are probably already aware of this week's news: the Big 12 Conference will remain intact. This is positive news for Kansas sports fans and the Kansas economy, which will continue to benefit from participating in a strong athletic conference. Last week, the University of Colorado and the University of Nebraska announced their intention to leave the Big 12 Conference, which caused great concern among the remaining teams about the future of the Conference. This week, however, the Big 12 Conference Commissioner, Dan Beebe, confirmed the remaining 10 universities will remain part of the conference. Keeping the Big 12 Conference together was the right decision and I am pleased that that Kansas traditions and rivalries will continue.

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U.S. Support for Israel is Crucial

This week, I encouraged President Obama to support Israel's right to defend itself by opposing efforts to condemn Israel in international organizations like the United Nations. Since Israel Defense Forces enforced a security blockade of Gaza on May 31, international criticism of Israel has been strong. Yet, many critics fail to acknowledge that the blockade of Gaza is a blockade on Hamas—a terrorist organization whose charter calls for the destruction of Israel. The blockade protects Israeli citizens from terrorist attacks and is a legitimate and legal means of self-defense. Instead of criticizing Israel for defending itself, international organizations need to be focused on the crimes of Iran-backed Hamas against Israel and the Palestinians in Gaza.

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Raising Awareness of Children Suffering with Pediatric Cancer

This weekend, I attended a rally in Overland Park to help raise awareness for children who have

been diagnosed with cancer. I spoke about the importance of early detection and funding efforts to discover a cure for this terrible disease. In the U.S., approximately 10,500 children under age 15 are diagnosed with cancer each year. For children aged 1-19 yrs, cancer is the fourth leading cause of death, and the leading cause of disease related death. During the event, the story of a young boy named Braden Hofen, age 5, was shared. Three years ago, Braden was diagnosed with a rare form of cancer called neuroblastoma. At his young age, Braden has already endured five rounds of chemotherapy, a bone marrow transplant, surgery, radiation and several other therapies. As a parent and a member of the Pediatric Cancer Caucus, I will continue to advocate in support of measures to prevent the pain, suffering, and long-term effects of childhood cancers, and work toward the goal of eliminating cancer as a threat to all children.

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Two Wathena Businesses Supporting Our Kansas Economy

On Monday, I had the privilege of touring MK Minerals in Wathena. MK Minerals is a leading producer of high quality gypsum and lime pellets for fertilizers that are used on turf fields and golf courses, personal yards and in agricultural settings for soil enrichment. The company's versatile facility allows it to produce and sell a complete retail line of professional lawn and garden products and to house a fully capable bagging operation. MK Minerals holds the true characteristics of a great Kansas business. I appreciated the hospitality from Connie Fischer and Darrell Holaday during my visit.

While I was in Wathena, I also visited Summit Truck Bodies. This privately owned company provides custom bodies for business vehicles. The impressive 96,000 square foot plant is the center of the operations, which include designing, building, painting and installing their custom bodies. These custom vehicle bodies allow for businesses to maximize their capabilities no matter where they conduct operations. From ice and snow services, to emergency fire vehicles, Summit Truck Bodies helps Kansas businesses succeed. Creating and protecting jobs in Kansas during these tough economic times continues to be a top priority of mine. We must create a business environment in the U.S. that will sustain the manufacturing industry and allow it to grow. Thanks to John Rauch for his hospitality during my visit.

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In the Office

KU School of Education Dean Rick Ginsburg and Keith Yehle of Lawrence were in with the University of Kansas to tell me about KU programs to train Kansas teachers. Fabian Tollens of Germany came by to tell me about his experience as a foreign exchange student in Kinsley. Members of the Kansas Bankers Association were in to share their views on the financial reform legislation pending before Congress. In with the group were Kyle Campbell of Abilene, Ruth Emerson of Beloit, Ryan Engle of Cottonwood Falls, Kim Fairbank of Cimarron, Barney Horton of Atwood, Alan Meyer of Axtel, Mike Palen of Garden City, Jeannette Richardson of Inman, Jim Richardson and Rick Smith of Stafford, Mike Stevens of Sublette and Doug Wareham of Topeka.

Jason Busche of Anthony and Rhonda Holt and Rich Pappas of Wichita were in with the Kansas Association of Health Physical Education Recreation Dance to talk with me about the importance of physical education in Kansas schools. Stan Stark of Haviland was in with Land O'Lakes to discuss the activities of agricultural cooperatives in Kansas and various policies important to their continuing success. Sunee Mickle and Andy Corbin of Topeka were in with BlueCross BlueShield of Kansas to talk about their progress and challenges in implementing provisions of the new health care law.

Greg King of Lenexa and Jerry Starkey of Olathe were in with the Heart of America Chapter of Associated Builders and Contractors to discuss the Kansas economy and legislation to improve the business climate in Kansas. Members of the National Association of Mutual Insurance Companies were in to talk about the impact of current legislation on the insurance industry in Kansas. In with the group were Keith Birkhead and Rick Wilborn of McPherson; Lori Church, David Hanson and R. Dan Scott of Topeka; Scott Forland of Overland Park; Dwight Tully of Salina; and Rich Gillispie of Junction City.

Chris Orwell of Hutchinson was in with the Kansas Cosmosphere to give me an update on upcoming projects and exhibits and to explain the advantages of the Cosmosphere's designation as a Smithsonian Institute Affiliate. Mike Lerner of Overland Park was in with the American Israel Public Affairs Committee to discuss Israel's security. Herb and Jeanne Smith of McPherson were in with the Foods Resource Bank to tell me about local efforts in McPherson County to feed and teach people in developing countries. Larry Barrett of Colby, Holly Schoonover and Jerold Harris of Wichita, Joe Schoonover of Byers, Leslie Kaufman of Topeka, Kristen Thompson of Olathe, and Kelsey Rhodenbaugh of Wichita were in with Kansas Farm Credit Institutions to talk about provisions contained in the regulatory reform legislation that could adversely impact Farm Credit.

Chris Wilson of Manhattan, Carolyn Kleiber of Hillsboro, Jocelyn Busick of Buhler and Laura Pearl of St. Marys were in with the American Agri-Women to discuss issues important to Kansas agribusiness including pending regulations that could increase costs for agribusinesses and the need to ensure an agricultural labor force. Maria Marcotte of Hays stopped in to see me while she was in town for the National Youth Leadership Conference. Vicki, Rachel, Lynsey, Ryan, Jonathan and Dr. Charles Sciolaro of Kansas City were in to talk about health care reform.

Also this week, I met with groups of students from across the state, including students from Stanton County High School and students involved with the Kansas Electric Cooperatives. I also met groups of students involved with various chapters of Kansas FFA and others involved with Kansas 4-H. In addition, I had the opportunity to congratulate Chet Cordell, the Artistic Discovery Art Competition winner from the Big First Congressional District.

Several Kansans were in this week for a tour of the U.S. Capitol, including Larry Lyder, Zoey Ziegler and Samantha Nicholson of Hill City; Marily Rietzke of Coldwater; Jamie Rietzke, Greg Stewart and Kathy Melton of Olathe; Kayde Rietzke of Leoti; Saretta Culver, Courtney Grene, Joani, Hailey and Natalie Purdy of Wichita; Jaclyn Hoskins of Hutchinson; Roger Emerson of Beloit; Kathleen Garman, Donald Schierding and Sharon and Ashley Sheperd of Overland Park; Kendra Campbell of Abilene; Joan Meyer of Seneca; Rocky Fairbank of Cimarron; Gretchen Rodvelt of Horton; Carol Herndon of Shawnee; Laura Suellentrop of Colwich; Andrea Gegen of Cheney; and Betty Lehman of Girard. In from Kansas City were Vicki, Rachel, Lynsey, Ryan, Jonathan and Dr. Charles Sciolaro. Also in for a tour were Connie Jo, Jessica and Sarah Johnson of Goodland; Alejandra Testa of Wamego; Shane, Jacqueline, Callie and Chet Cordell of Little River; Brad, Sally, Cassidy and Carson Burkholder of Hesston; and Stephen, Linda and Kelsey Meneley of Dodge City. In from Clay Center were Jay, Brenda, Heidi and Katelyn Bohnenblust; Josh Wohler; Andrea Steenbock; Emily Chestnut; and Natalie Unruh. Karen, Chloe, Alex, Anna and Dr. Thomas Wilder of Great Bend; Kenneth and Jacalyn Loos of Hays; and Merle, Deb and Jeff Hadachek of Cuba also came by for a tour.

Contact Me

It is an honor to serve you in Washington, D.C. Please let me know how I can be of assistance. To send me an email, [click here](#). You can also [click here](#) to contact me through one of my Kansas offices or my Washington, D.C., office.

Very truly yours,

Jerry